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April 25, 2005

Honorable James H. Welsh
Commissioner of Conservation
State of Louisiana
Post Office Box 44275
Baton Rouge, Louisiana 70804-4275

Re: APPLICATION FOR PUBLIC HEARING.

Hosston Zone, Reservoir A; Cotton Valley Formation, Reservoir A; and Lower Cotton Valley Zone, Reservoir A; ELM GROVE FIELD, Bossier Parish, Louisiana.

Dear Sir:

J-W OPERATING COMPANY ("Applicant") hereby respectfully applies for a public hearing to consider evidence relative to the issuance of Orders pertaining to the following matters relating to the Hosston Zone, Reservoir A; the Cotton Valley Formation, Reservoir A; and to the Lower Cotton Valley Zone, Reservoir A; all in the Elm Grove Field, Bossier Parish, Louisiana:

1. To create two (2) additional drilling and production units for the exploration for and production of gas and condensate from the Hosston Zone, Reservoir A, such units being shown on an attached plat and being designated HOSS RA SU132 and HOSS RA SU133.
2. To create one (1) additional drilling and production unit for the exploration for and production of gas and condensate from the Cotton Valley Formation, Reservoir A, such unit being shown on an attached plat and being designated CV RA SU143.
3. To create four (4) additional drilling and production units for the exploration for and production of gas and condensate from the Lower Cotton Valley Zone, Reservoir A, such units being shown on an attached plat and being designated LCV RA SU97 through LCV RA SU100.
4. To force pool and integrate all separately owned tracts, mineral leases and other property interests within each of the proposed additional units in accordance with Section 10, Title 30, of the Louisiana Revised Statutes of 1950, with each tract sharing in unit production on a surface acreage basis of participation.
5. To designate a unit operator of, and unit wells for, the proposed additional units as may be appropriate.

6. To authorize the downhole combination of production from the Lower Cotton Valley Zone, Reservoir A; the Cotton Valley Formation, Reservoir A; and the Hosston Zone, Reservoir A; or any combination thereof, in the wellbore of any well drilled on the additional units proposed herein.

7. To extend, except as in conflict herewith, the provisions of Office of Conservation Order No. 361-A-1, effective October 1, 1972, as amended and supplemented by the Order No. 361-A series of Orders, to the proposed additional units for the Hosston Zone, Reservoir A.

8. To extend, except as in conflict herewith, the provisions of Office of Conservation Order No. 361-B, effective October 1, 1973, as amended and supplemented by the Order No. 361-B series of Orders, to the proposed additional unit for the Cotton Valley Formation, Reservoir A.

9. To extend, except as in conflict herewith, the provisions of Office of Conservation Order No. 361-E, effective July 16, 1996, as amended and supplemented by the Order No. 361-E series of Orders, to the proposed additional units for the Lower Cotton Valley Zone, Reservoir A.

10. To discuss such other matters as may be pertinent.

The Hosston Zone, Reservoir A, in the Elm Grove Field, Bossier, Caddo, Webster and Bienville Parishes, Louisiana, was defined in Office of Conservation Order No. 361-A-1, effective October 1, 1972, and was further defined in subsequent Orders of the 361-A series of Orders.

The Cotton Valley Formation, Reservoir A, in the Elm Grove Field, Bossier, Caddo, Webster and Bienville Parishes, Louisiana, was defined in Office of Conservation Order No. 361-B, effective October 1, 1973, and was further defined in subsequent Orders of the 361-B series of Orders.

The Lower Cotton Valley Zone, Reservoir A, in the Elm Grove Field, Bossier, Caddo, Webster and Bienville Parishes, Louisiana, was defined in Office of Conservation Order No. 361-E, effective July 16, 1996.

Pertinent data concerning this application is available for inspection at the offices of Mr. Joe B. Adams, 9141 Interline Avenue, Suite 3A, Baton Rouge, Louisiana 70809. Any person wishing to inspect such data should call Mr. Joe Adams at (225) 929-6097 during normal business hours in order to arrange a date and time for such inspection. A copy of any such pertinent data which is not otherwise available from the records of the Louisiana Office of Conservation can be obtained from Applicant at the expense of the requesting party.

Honorable James H. Welsh
April 25, 2005
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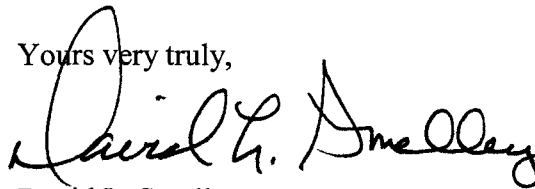
Applicant has heretofore received from you a waiver of the pre-application notice requirements and Rule 3 of the Revised Rules of Procedure effective October 11, 1983; and, therefore, Applicant has not considered such requirements applicable.

Pursuant to the Revised Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Represented Parties and Interested Parties to whom notice of this application is being sent and has attached hereto a list of the names and addresses of such parties. A copy of each of the unit plats is enclosed herewith and a copy of this letter and of each of the attached plats is being sent to the District Manager of the Shreveport District of the Office of Conservation and to the Interested Owners, Represented Parties and Interested Parties as shown on the attached list. If any of these parties desire to confer with Applicant concerning these proposals, they are hereby notified that a conference will be held at 1:30 P.M. on May 6, 2005, at the offices of the undersigned. Any person intending to attend the conference is requested to so notify the undersigned at (318) 429-7200.

Applicant will provide for posting of a copy of the Legal Notice of this hearing and the enclosed plats at a prominent place in the area affected and will cause publication of the Legal Notice in a newspaper published in the general area of Elm Grove Field, all in accordance with the Revised Rules of Procedure. Furthermore, a copy of the Legal Notice will be mailed to all Interested Owners, Represented Parties and Interested Parties promptly upon receipt of the Legal Notice from the Commissioner.

Finally, we enclose our check payable to the Commissioner of Conservation for the application fee.

Yours very truly,

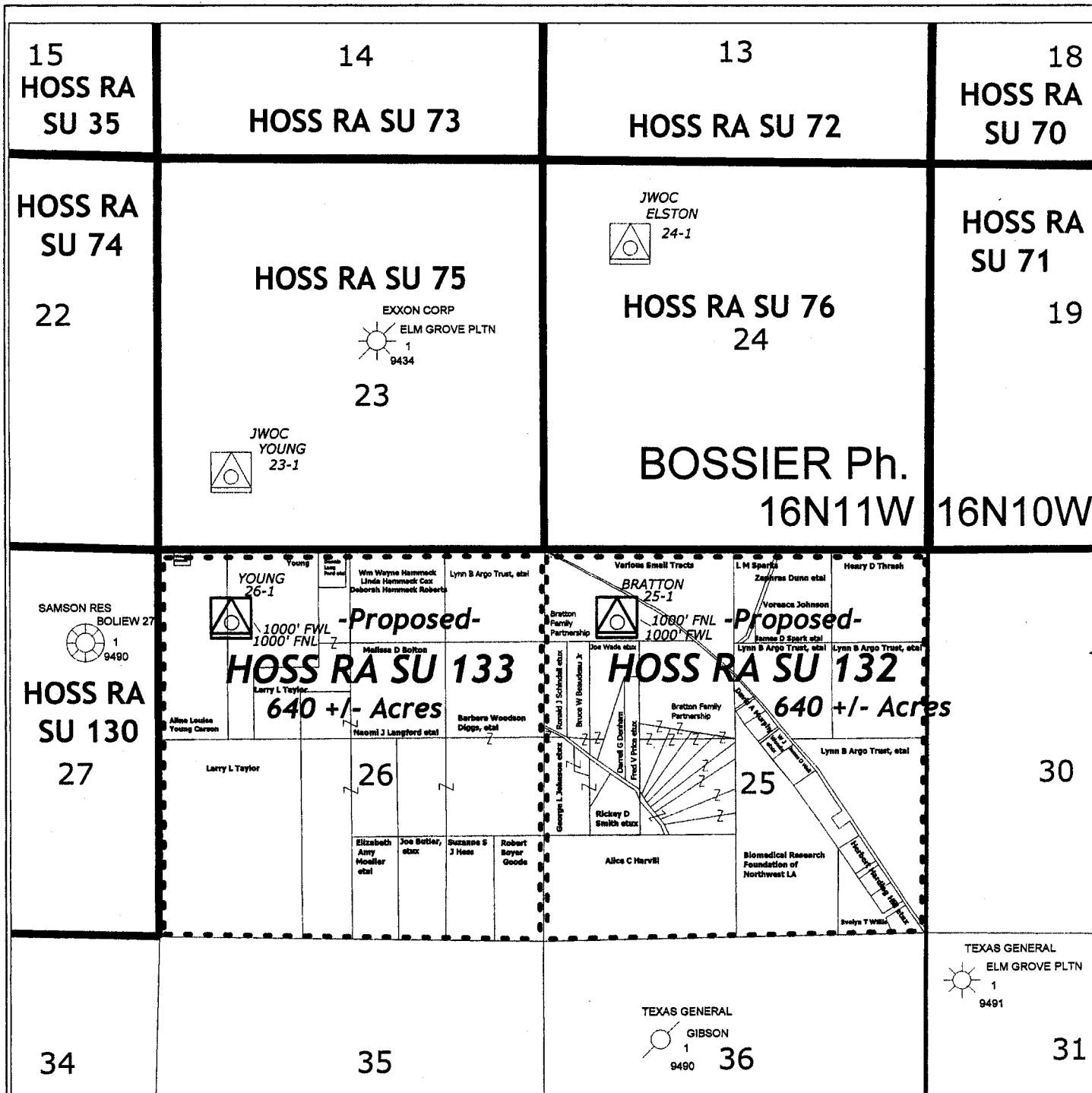


David L. Smelley
-- Attorney for J-W Operating Company

DLS:dp

Enclosures


cc: Mr. Jim Broussard (w/encls.)
Mr. Jerry Wooten (w/encls.)
Mr. Michael Baca (w/encls.)
Mr. Joe B. Adams (w/encls.)
Interested Owners, Represented Parties
and Interested Parties (w/plats only)



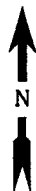
LEGEND

— Existing Units 361-A series

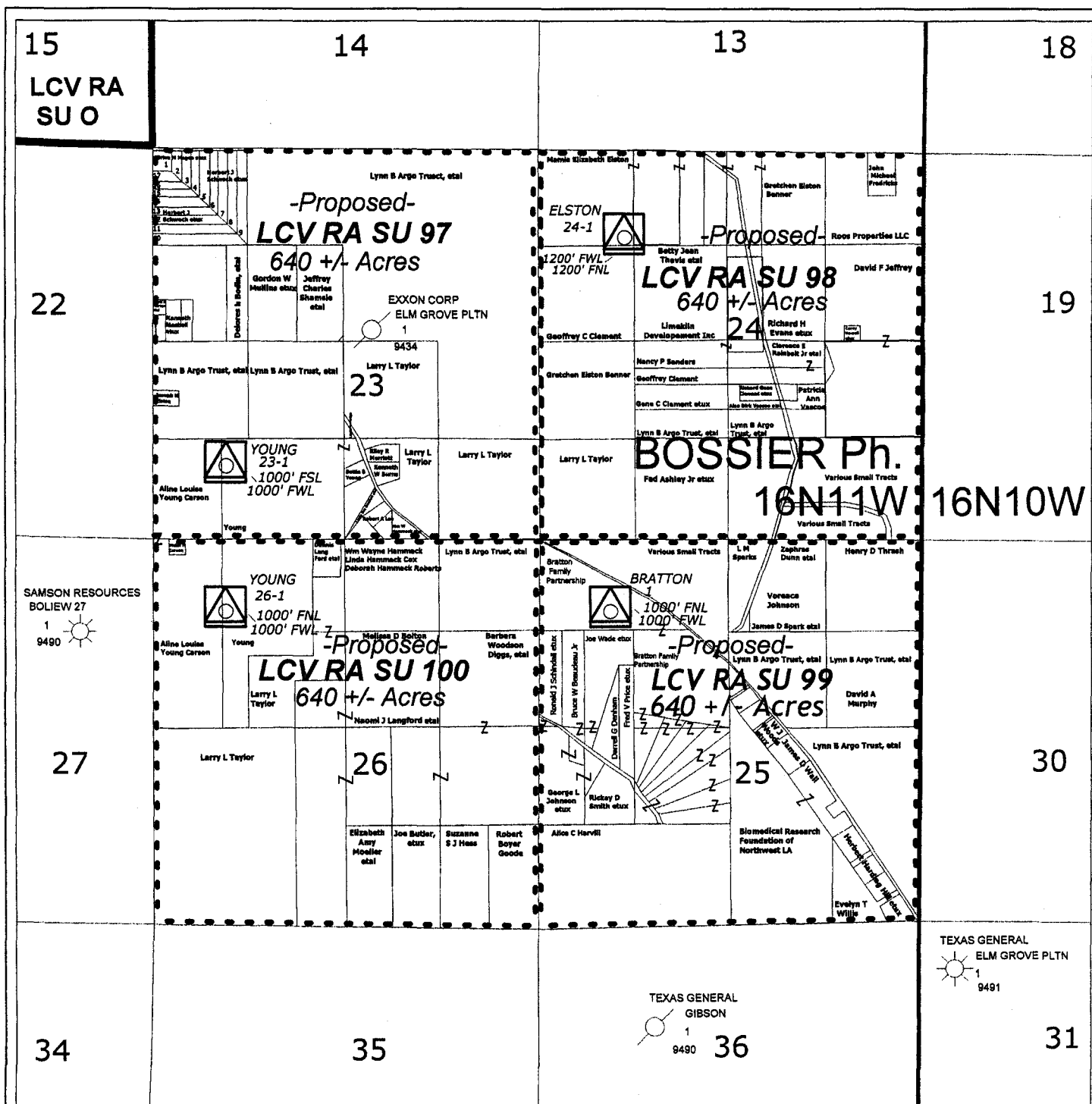
--- Proposed Hosston Unit

 Proposed Unit Well

Posted Wells > 6000'

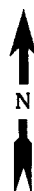


J-W OPERATING COMPANY		
Elm Grove Field Bossier Ph., La. PROPOSED UNITS Hosston Zone		
DATE:	Witness: Joe Adams	Docket No.
Exhibit 1	Scale: 1" = 2000'	05-??



LEGEND

- Existing Units 361-E series
- - - Proposed Lwr. Cotton Valley Unit
- ⊠ Proposed Unit Well
- Posted Wells > 8300'



J-W OPERATING COMPANY

Elm Grove Field
Bossier Ph., La.
PROPOSED UNITS
Lwr. Cotton Valley Zone

DATE:	Witness: Joe Adams	Docket No.
Exhibit 1	Scale: 1"= 2000'	05-??

1000 0 1000 2000 3000 ft